MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

BMM2054 – ERP MATERIALS MANAGEMENT

(All sections / Groups)

8 JULY 2023
9.00 A.M. - 11.00 A.M.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 3 pages (including the cover page) with 2 questions.
2. Answer **ALL** questions. All the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

ANSWER ALL THE QUESTIONS.

1. Amid the escalating trade war between the US and China, and the imposition of sanctions on Huawei, Apple and its supplier Pegatron are taking steps to diversify their supply chain away from China. According to a local report by Digitimes, Pegatron has selected Indonesia over Vietnam as a location for assembling MacBooks and iPads due to the better availability of workers. Pegatron has subcontracted the work to PT Sat Nusapersada, a local manufacturer in Batam, with production scheduled to begin next month. Although PT Sat Nusapersada's CEO did not reveal the client names, there is speculation that Apple is among them. Pegatron is investing $300 million in Indonesian factories to facilitate this move, and PT Sat Nusapersada's CEO claims that Indonesian productivity is superior to that of China, with a lower turnover rate of only 2%. This shift in production is part of a larger trend, as other Apple suppliers such as Foxconn have also announced plans to manufacture iPhones in India later this year.

   a) Explain the material management organization structure for Pegatron with an example of each.

   (12 marks)

   b) What steps Pegatron should take in the SAP system if the material they want to purchase is not available in the system? Please provide a detailed explanation of each step. Illustrate your answer in the form of a diagram.

   (10 marks)

   c) Assume Pegatron is following **procure to pay process** when they need to purchase materials/services from an external vendor for their company. This process includes all the business tasks starting from a purchase requisition (PR) and finishing with payment to the vendor. Explain the whole process in detail by relating to Pegatron.

   (24 marks)

   d) There are a variety of forms that aid in the purchasing process and are generated from the Purchase Order. Present any **FOUR (4)** different forms.

   (4 marks)

2. A factory produces handbags. The management plans the production of a number of bags based on demand forecasts for each design seasonally. The bags are made in the factory using the right material and resources, such as leather for each item. Then these are dispatched to the customer and other retailers. That entire cycle is made possible by production planning processes.

   a) One of the main production planning processes in producing the handbags is Production Planning & Execution. Present all **FIVE (5)** Production Planning & Execution processes with an explanation of each.

   (20 marks)

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b) Show the difference between the handbag's independent demand and dependent demand with an example of each.

(8 marks)

c) Scheduling the production of the handbag involves calculating the production dates and capacity requirements for all operations within an order. One of them is determining the routing. Explain what routing is. Show an example of routing in handbag production.

(8 marks)

d) Present the definition of the Bill of Materials (BOM). Show **TWO (2)** examples of BOM that make up the handbag.

(5 marks)

e) Present the players in the game of production planning and execution according to each level with **TWO (2)** examples of each.

(9 marks)

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